



State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

March 18, 2005

TO: MATERNAL, CHILD AND ADOLESCENT HEALTH (MCAH)
DIRECTORS
ADOLESCENT FAMILY LIFE PROGRAM (AFLP) DIRECTORS
AFLP COORDINATORS

SUBJECT: FISCAL YEAR 2005-2006 AFLP/ASPPP ALLOCATIONS/GRANT
AWARDS
PROGRAM POLICY ALERT #2004/05-02

The Maternal, Child and Adolescent Health (MCAH)/Office of Family Planning Branch is currently finalizing the Fiscal Year (FY) 2005/2006 allocations/grant awards for the Adolescent Family Life Program (AFLP) and Adolescent Sibling Pregnancy Prevention Program (ASPPP). Adolescent Family Life agencies are to be congratulated for their overall success in fulfilling the contracted Months of Service (MOS) in these programs. MCAH Branch appreciates the hard work performed by agency staff to fulfill MOS levels and further appreciates your ongoing dedication to serving youth in need.

As originally communicated in Fiscal Year (FY) 2000/2001, and put into action in the FY 2003/2004 reductions, under the actual cost-based reimbursement system, the MCAH Branch reviews each agency's performance in fulfilling their contracted MOS before determining final funding amounts. The MCAH preliminary MOS review indicates the potential need for relatively minor adjustments affecting very few agencies. This letter describes the review methodology and potential funding reductions.

Using essentially the same methodology as in FY 2003/2004, MCAH is reviewing the past three and a half fiscal years: FY 2001/2002 through the first six months of FY 2004/2005 (disregarding any FY 2004/2005 augmentations) as reported in Lodestar.

AFLP programs will receive a reduction to their contracted MOS under either of the following conditions:

- During the review period the program provided less than 85 percent of their contracted MOS for two or more years and/or the average MOS provided during the review period is below 85 percent, or
- The program requests a reduction in their contracted MOS. This reduction will be implemented with the approval of the Program Consultant.

Adjustments will not be made to MOS for FY 2005/2006 for those AFLP programs that had experienced less than 85 percent performance levels but have improved to a rate of 85 percent or above in FY 2003/20004 and FY 2004/2005.

The Branagh Information Group's Lodestar MOS report reflecting the fiscal year end number/percent of MOS provided in relation to the number identified in the Scope of Work will be used to determine whether an adjustment will be necessary.

The amount of reduction will be calculated by determining the average of actual MOS provided during the 3 ½ year period. This amount will be compared to the baseline (85%) contracted MOS. The difference of these two amounts will be deducted from the FY 2004/2005 contracted number of MOS, including the Title V augmentation. For example, if the agreement reflects 1200 MOS (100%) and the agency provided an average of 960 MOS (80%) over the past 3 ½ years then, 85 percent of 1200 MOS is 1020 minus 960 MOS (80%) would yield a reduction of 60 MOS (5 clients). The adjusted MOS would then go from 1200 to 1140.

When the methodology outlined above indicates that a program is to incur a reduction in the MOS and allocation/grant amount, the following factors will be taken into consideration when implementing the reductions:

- Economies of Scale: The final funding amount will not be reduced to the point that it is no longer feasible to continue the program.
- Staffing Ratios: MOS may need to be adjusted, either up or down, to ensure increments of no less than a half time position.
- Current Caseload Size: Agencies currently at or above 85 percent MOS will not be subject to a reduction.

The AFLP reduction in funding will be redirected at the State level to AFLP agencies that meet established performance and birth rate criteria.

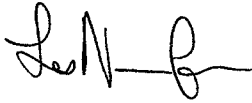
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To ensure that AFLP and ASPPP funding is being effectively utilized in the delivery of care throughout California, the MCAH Branch will annually review MOS to ensure commitments are being met.

If you have any questions or need further clarification regarding this matter, please contact your MCAH Program Consultant and Contract Manager.



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